



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Representatives Present During the Inspection:

Company David Shaver Manager

OGM Pete Hess Environmental Scientist III

Inspection Report

Permit Number:	C0070033
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, January 28, 2009
Start Date/Time:	1/28/2009 8:30:00 AM
End Date/Time:	1/28/2009 10:40:00 AM
Last Inspection:	Monday, December 15, 2008

Inspector: Pete Hess, Environmental Scientist III

Weather: Partly sunny. Cold; 20's F.

InspectionID Report Number: 1899

Accepted by: jhelfric

2/23/2009

Permittee: **ANDALEX RESOURCES INC TOWER DIVISION**

Operator: **ANDALEX RESOURCES INC TOWER DIVISION**

Site: **WILDCAT LOADOUT**

Address: **6750 AIRPORT RD, PO BOX 902 PRICE UT 84501**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

270.00	Total Permitted
20.85	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- ☒ Federal
☐ State
☐ County
☐ Fee
☐ Other

Types of Operations

- ☐ Underground
☐ Surface
☒ Loadout
☒ Processing
☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

4th quarter 2008 surface water monitoring data for the Wildcat Loadout permit area has been uploaded from the EDI pipeline into the permanent data base. The Permittee continues to meet this "Special Condition" of Attachment "A" of the current State permit issued by the DOGM.

DO-04 remains pending; the Division is reviewing the Permittee's response (Task ID # 2966) to address the concerns identified by the Division Order.

Inspector's Signature:

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Date Wednesday, January 28, 2009

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Inspection Continuation Sheet

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The current State permit issued by the DOGM was renewed on May 5, 2004. The Division completed a mid-term permit review of C/007/033 on April 30, 2008. The current UPDES permit for the six permitted sediment pond spillways remains in effect through April 30, 2013. The current air quality approval order was issued on October 21, 2004.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The fourth quarter 2008 impoundment inspections for the sites six treatment ponds was completed by Mr. Shaver on October 24, 2008. The permanent impoundment and the depression area (not a sediment pond) were also inspected. All were noted as dry / stable. As noted this day, the sediment level in pond "B" needs to be evaluated for cleanout. Most of the ponds were cleaned in March of 2006.

4.d Hydrologic Balance: Water Monitoring

The six UPDES outfalls and the four stream monitoring locations (WCW-1 through 4) were all reported as "no flow" situations during the fourth quarter of 2008. Discharge monitoring reports for December 2008 were reviewed; all point sources, and SUM A, were noted as "no flow". None of the sediment ponds contained water volumes close to the discharge elevations of the primary spillways. The Permittee's water monitoring file contained a Division review of the 4th quarter 2007 data, dated March 21, 2008. That analysis states that monitoring of stream flow during high flow and low flow conditions is required one year prior to permit renewal. As noted above, the permit was renewed on May 5, 2004, therefore monitoring of the 4 stream flow points should have been conducted during 2008, one year prior to permit renewal (in 2009). Monitoring points WCW-1 through 4 were reported as "no flow" during all four quarters of 2008. The Permittee should make every effort to sample these points for baseline parameters during the first quarter of 2009. The permit renewal for Wildcat will occur during the second quarter of 2009.

4.e Hydrologic Balance: Effluent Limitations

The site has not had any recent exceedances of effluent parameters.

7. Coal Mine Waste, Refuse Piles, Impoundments

The fourth quarter 2008 waste rock pile inspection was completed on October 24, 2008. There were no hazards observed; all slopes appeared stable. Mr. David Hibbs, Utah P.E. certified the fourth quarter report on the same day as the inspection. As observed this day, the pile appeared stable. Non-coal waste was not visible in the refuse material. There were no indications of spontaneous combustion. The MSHA ID sign was in place.

16.b Roads: Drainage Controls

The road crossing the impounding embankment of pond "C" needs to be sloped such that it will drain into pond "C". Snow melt water has cut through the east side berm, causing erosion of the edge of this road in one location, and allowing the water volume to report over the outslope. Mr. Shaver was asked to repair the erosion and re-shape the road surface.

19. AVS Check

An AVS check of the Andalex Resources, Inc., ownership and control information was performed during the midterm permit review of C/007/033, completed on April 30, 2008.

20. Air Quality Permit

Due to sub-freezing temperatures, roadway watering is not occurring. The haul roads are well graded and compacted. Some dust is being generated by the haul trucks. The posted 5 MPH speed limit is being adhered to.

21. Bonding and Insurance

The current general liability insurance remains in effect through June 1, 2009. The current posted bond amount is \$ 1, 144,000. This was last updated in July of 2007, and was reviewed during the mid-term review.